

**吉利汽車控股有限公司**

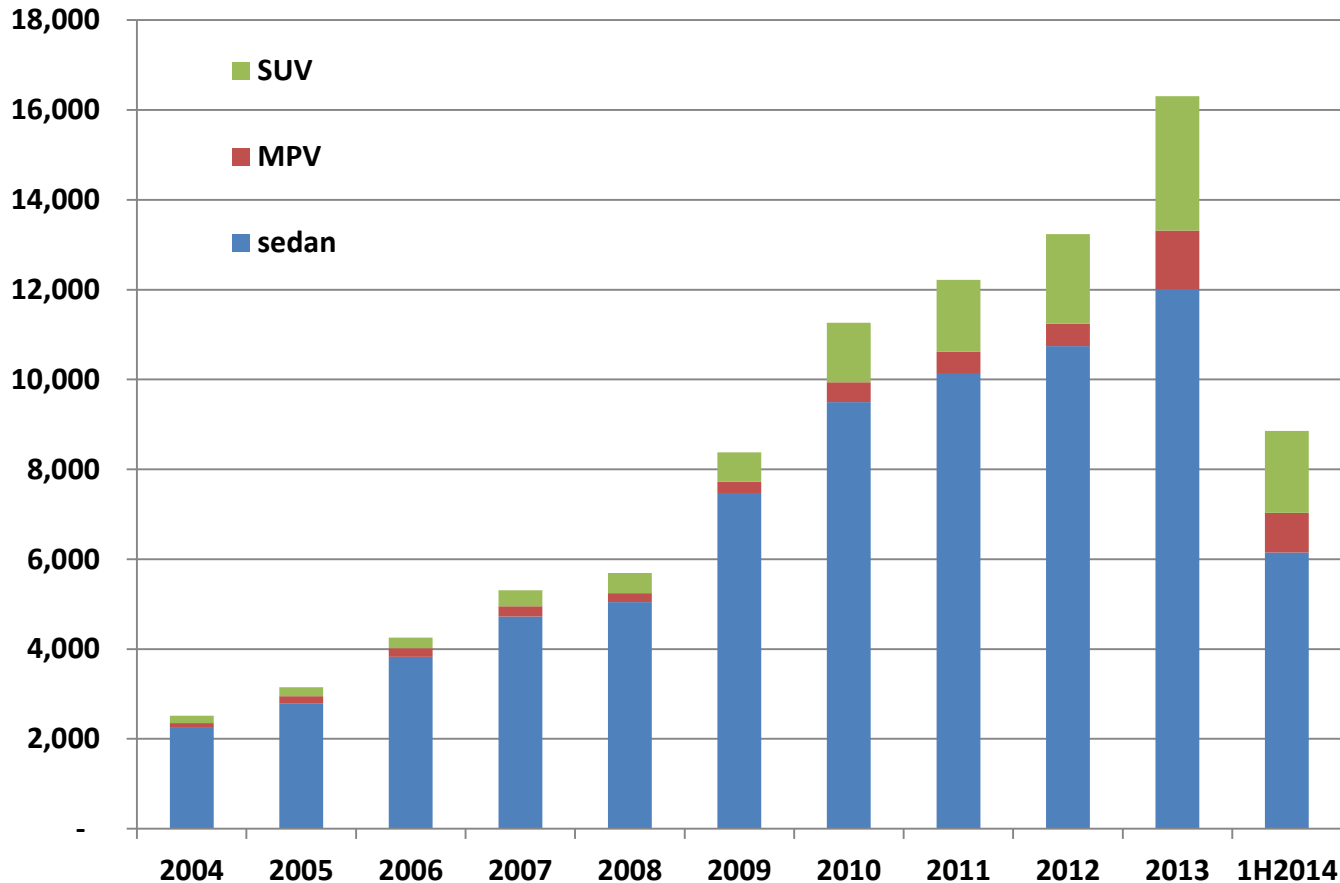
**GEELY AUTOMOBILE HOLDINGS LIMITED**

**Opportunities in  
China Passenger Vehicle Market**

22 July 2014

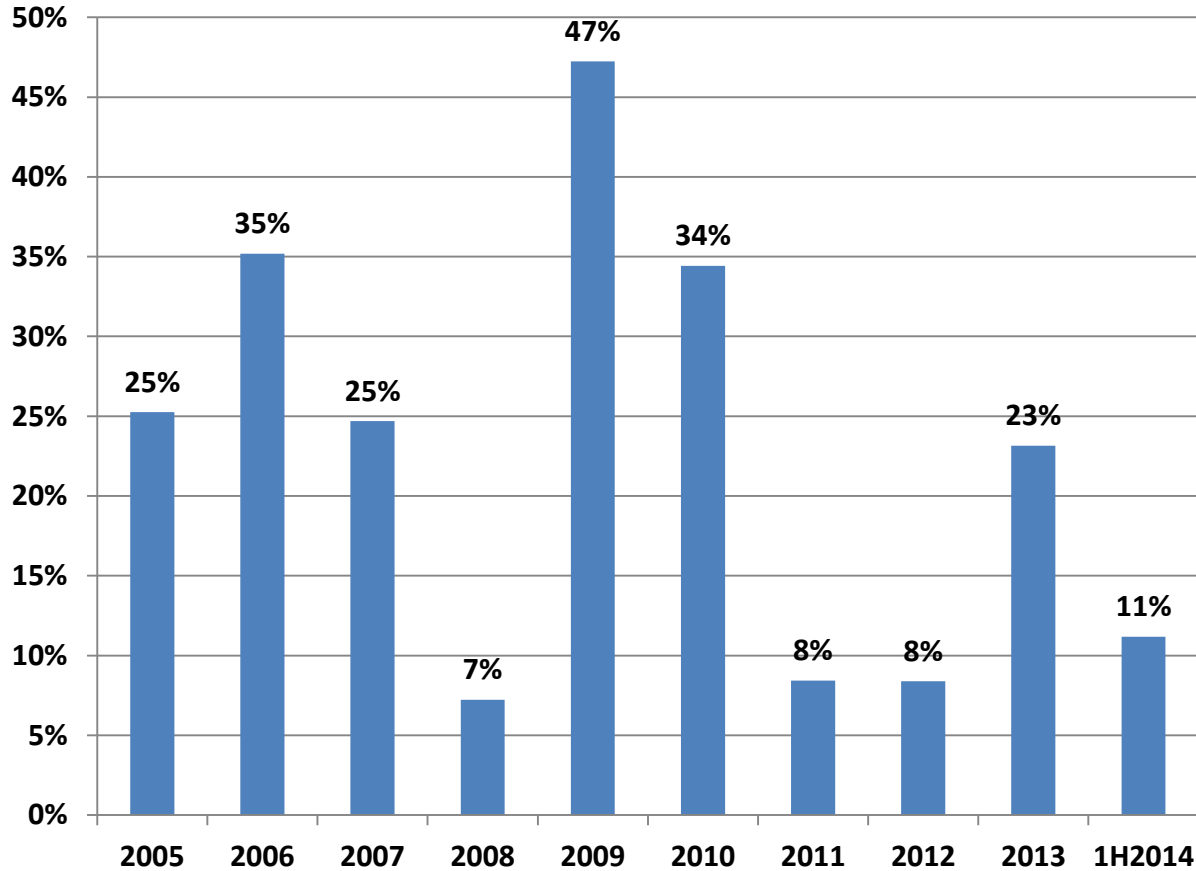
# China Passenger Vehicle Market

(sales volume, '000 units)



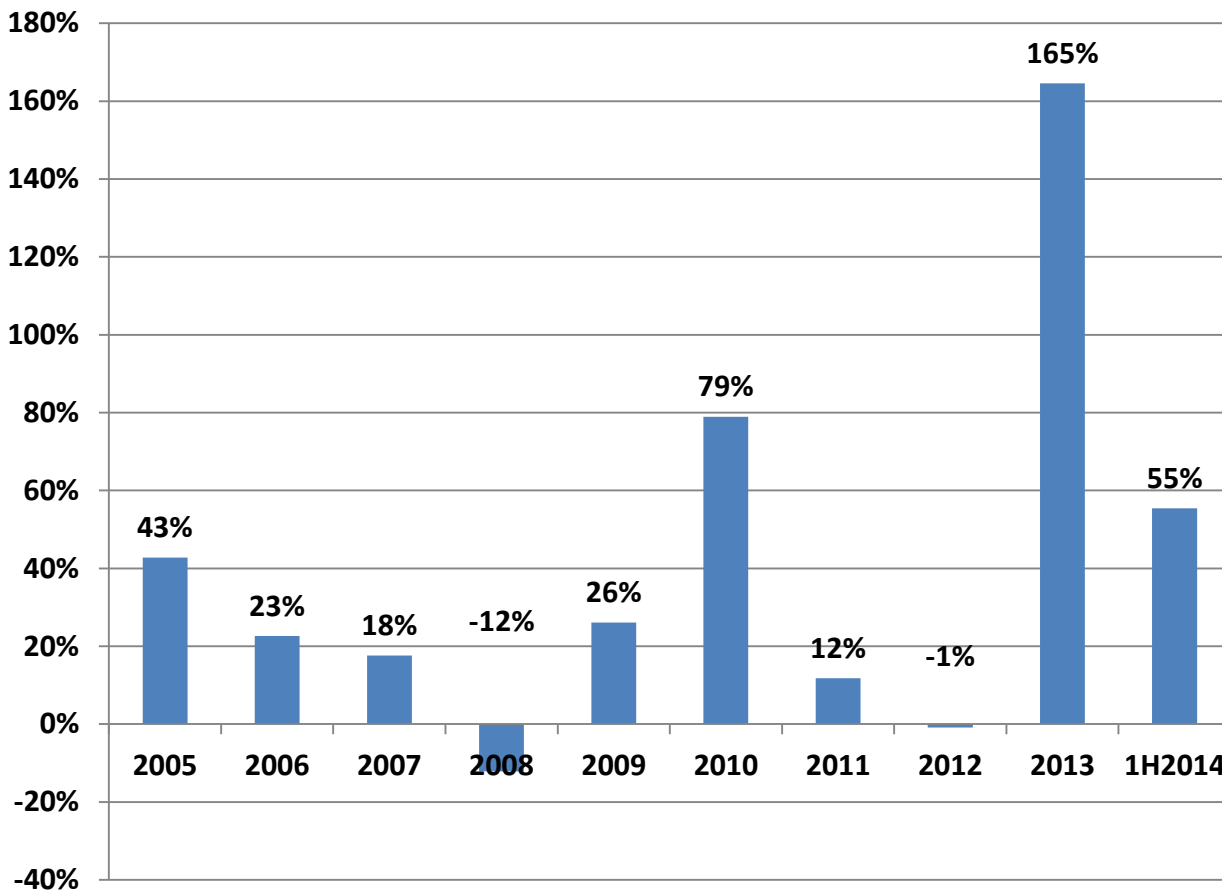
Source: China Association of Automobile Manufacturers

# China Passenger Vehicle Market (+/- % YoY growth)



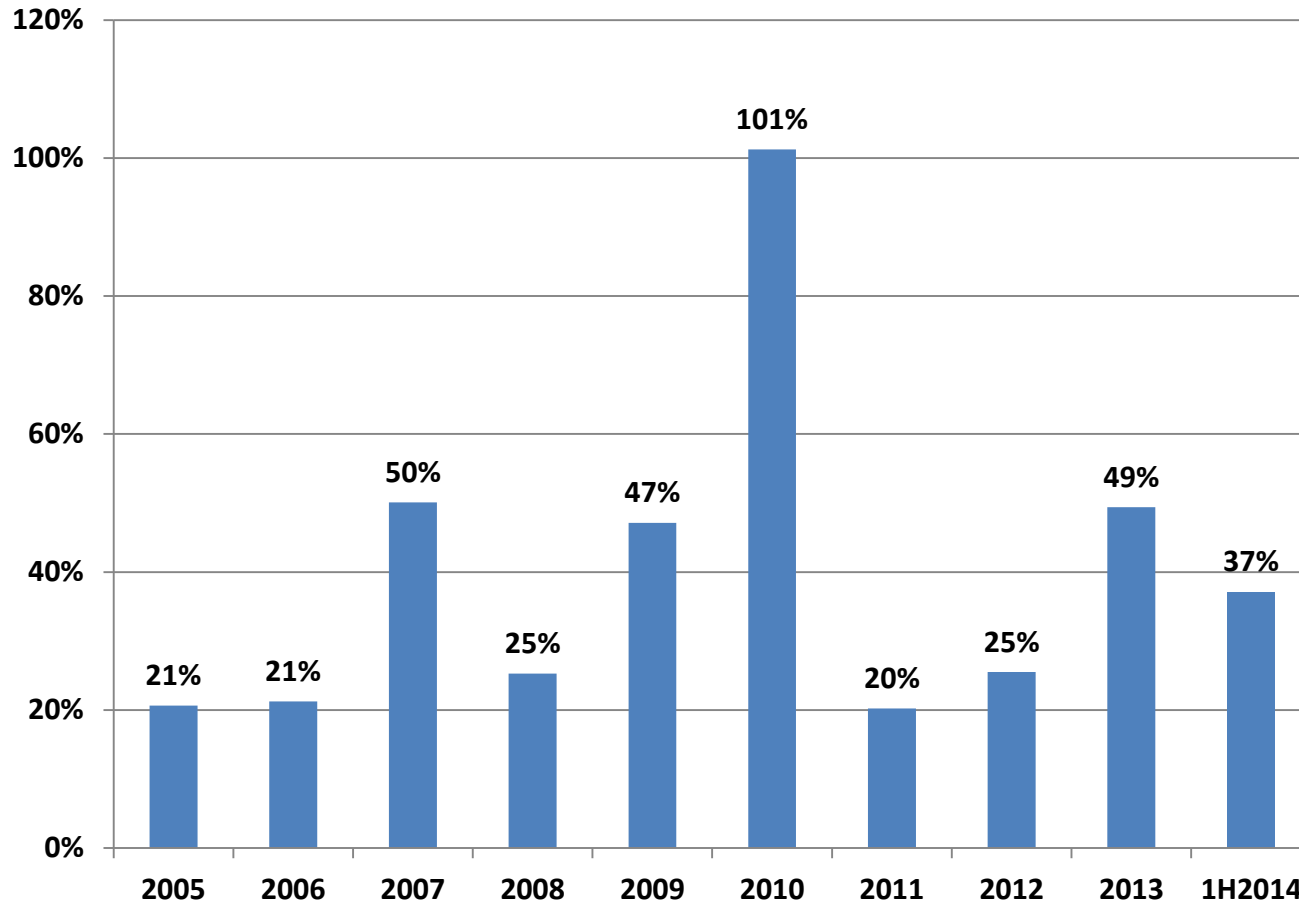
Source: China Association of Automobile Manufacturers

# China MPV Market (+/- % YoY growth)



Source: China Association of Automobile Manufacturers

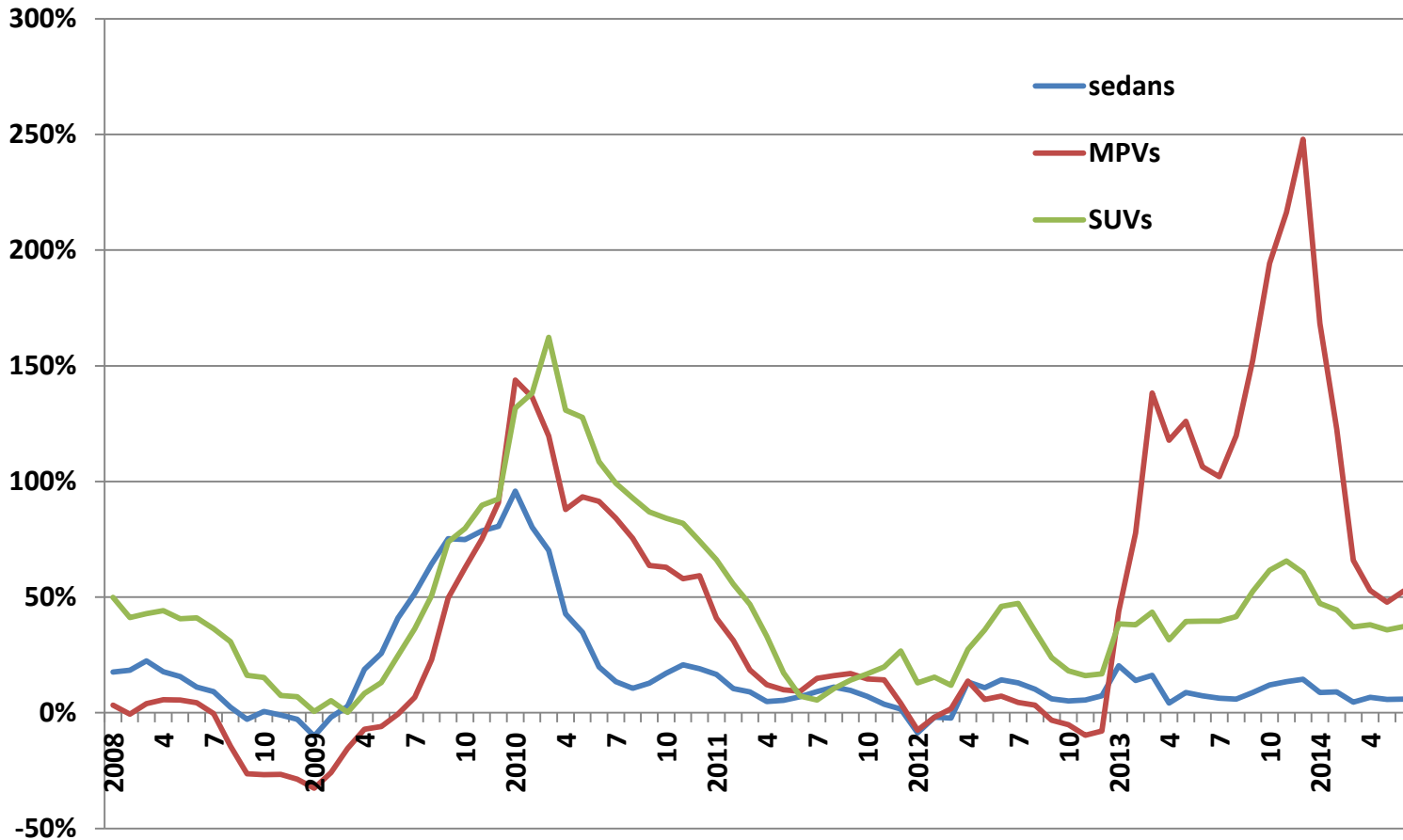
# China SUV Market (+/- % YoY growth)



Source: China Association of Automobile Manufacturers

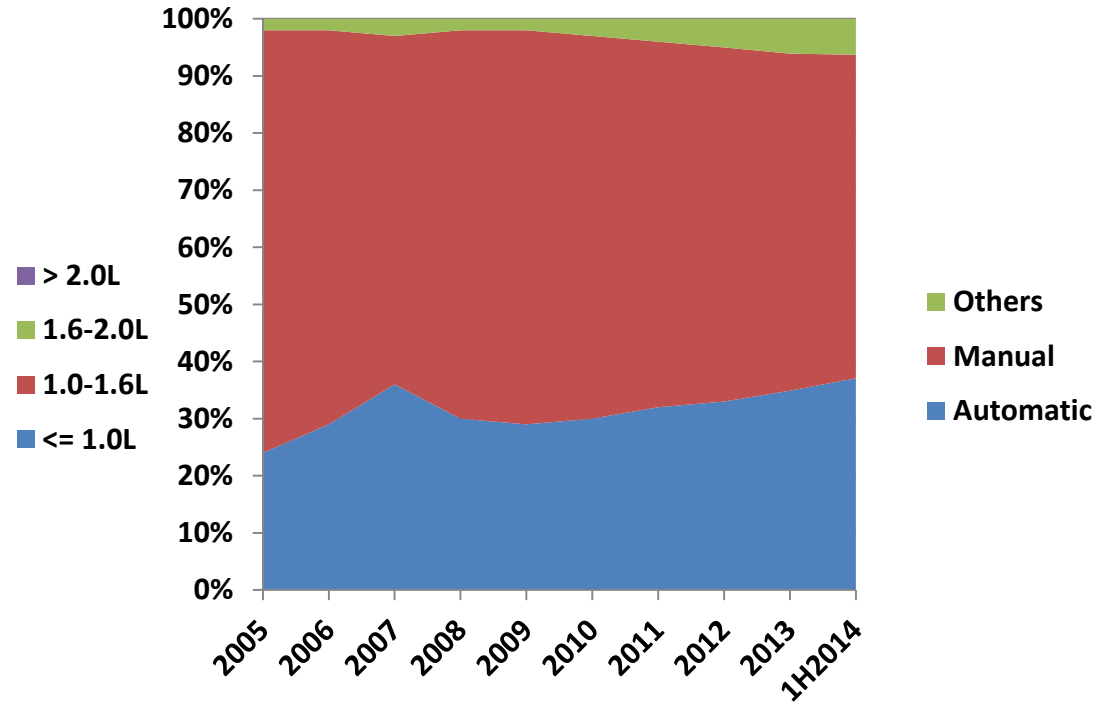
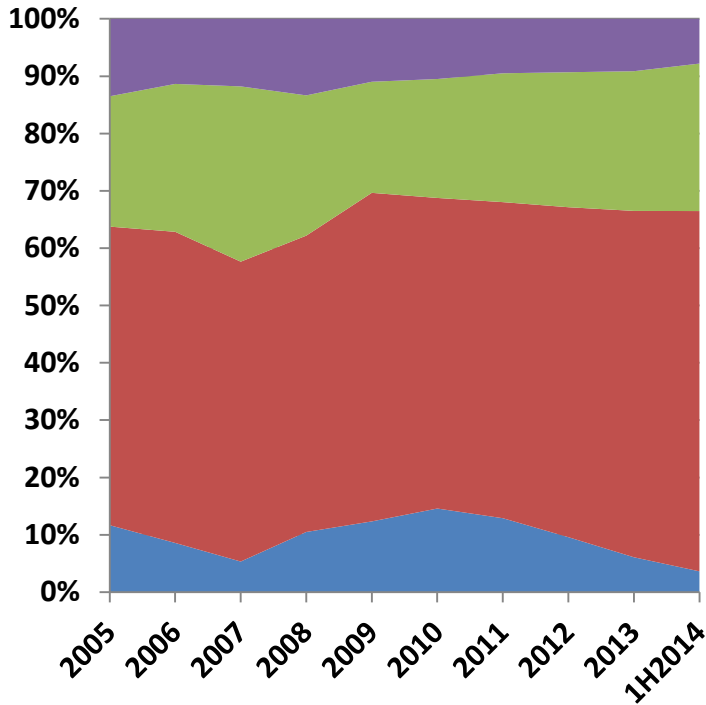
# China Passenger Vehicle Market

(3MMA +/- % YoY growth)



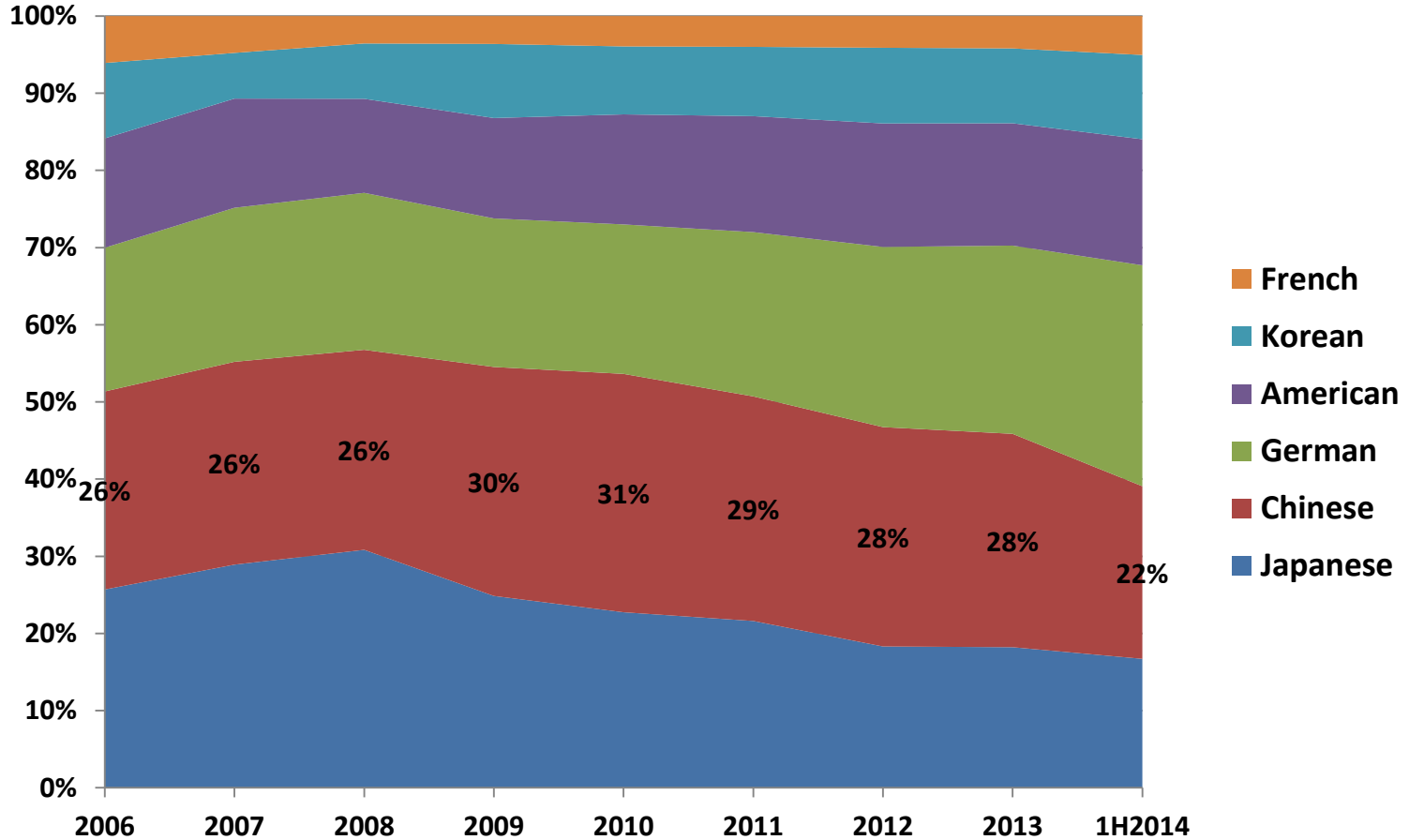
Source: China Association of Automobile Manufacturers

# China Passenger Vehicle Market (engine size & transmission types)



Source: China Association of Automobile Manufacturers

# China Sedan Market (market share of indigenous brands)

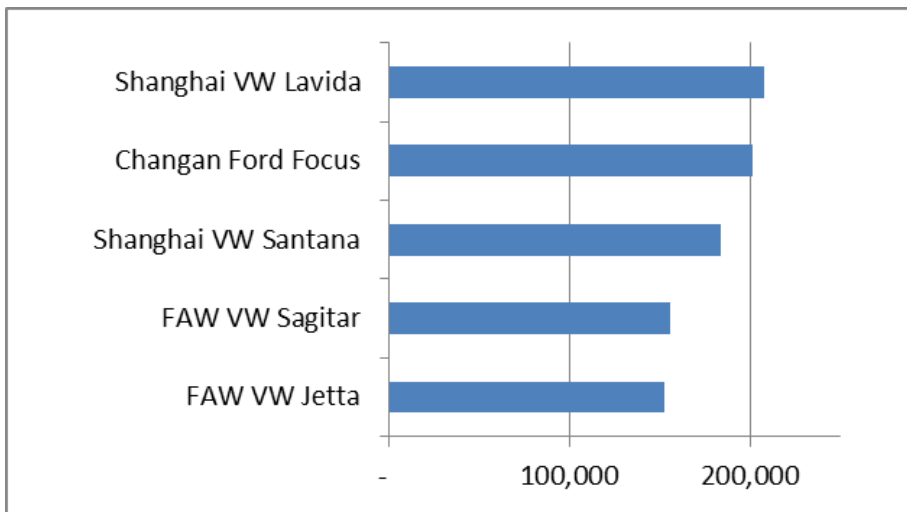


Source: China Association of Automobile Manufacturers



# China Sedan Market

(top models by sales volume, 1H2014)



Models	Engines	Retail Prices
Shanghai VW Lavida	1.4L-1.6L	RMB107,800-165,900
Changan Ford Focus	1.6L-2.0L	RMB99,800-169,900
Shanghai VW Santana	1.4L-1.6L	RMB84,900-123,800
FAW VW Sagitar	1.4L-2.0L	RMB131,800-225,800
FAW VW Jetta	1.4L-1.6L	RMB82,800-119,300

Lavida



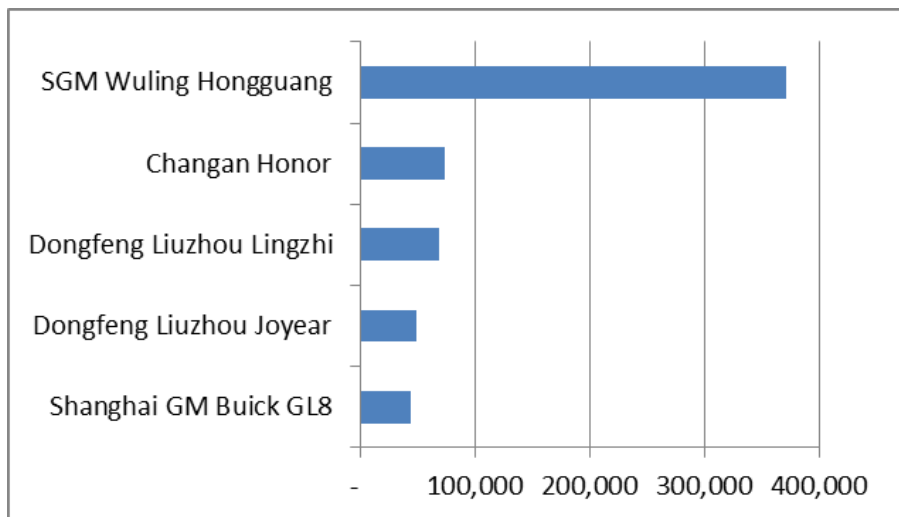
Focus



Santana



# China MPV Market (top models by sales volume, 1H2014)



Models	Engines	Retail Prices
SGM Wuling Hongguang	1.2L-1.5L	RMB44,800-69,800
Changan Honor	1.3L-1.5L	RMB44,900-60,900
Dongfeng LZ Lingzhi	1.5L-2.4L	RMB56,900-138,900
Dongfeng LZ Joyear	1.5L	RMB59,900-73,900
SH GM Buick GL8	2.4L-3.0L	RMB209,000-399,900

Hongguang



Honor

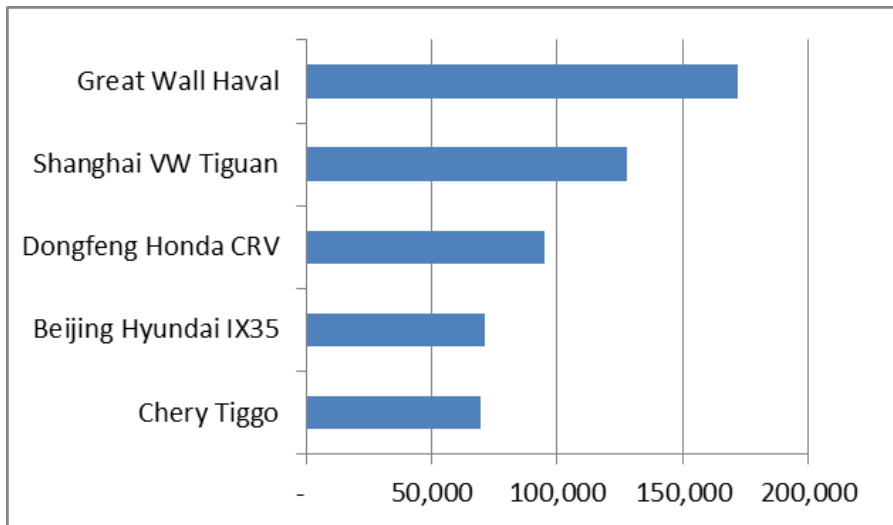


Lingzhi



# China SUV Market

(top models by sales volume, 1H2014)



Models	Engines	Retail Prices
Great Wall Haval	1.5L-2.4L	RMB92,800-318,800
Shanghai VW Tiguan	1.4L-2.0L	RMB199,800-315,800
Dongfeng Honda CRV	2.0L-2.4L	RMB193,800-262,800
Beijing Hyundai IX35	2.0L-2.4L	RMB169,800-242,800
Chery Tiggo	1.6L-2.0L	RMB73,900-150,900

Haval H6



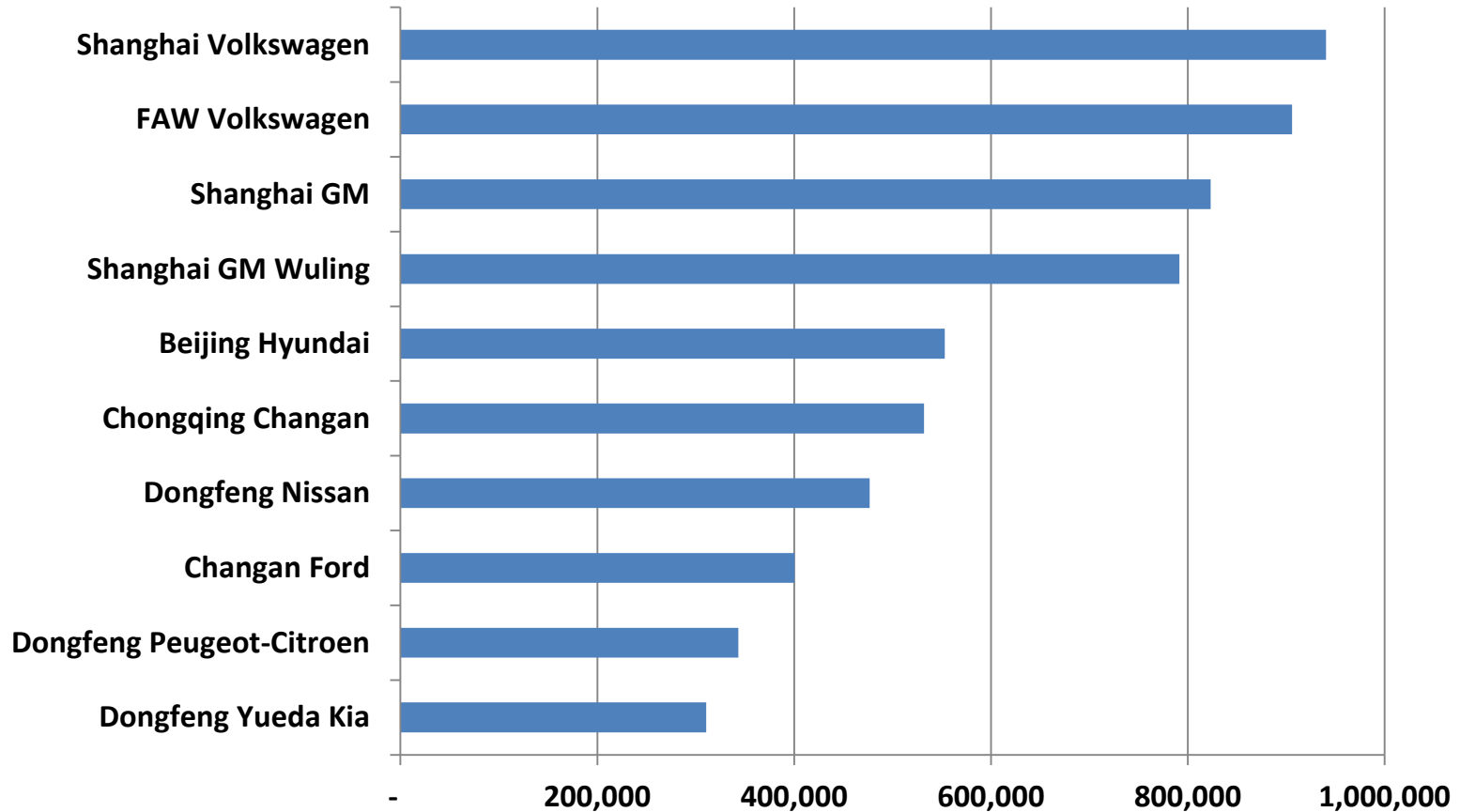
Tiguan



Honda CRV

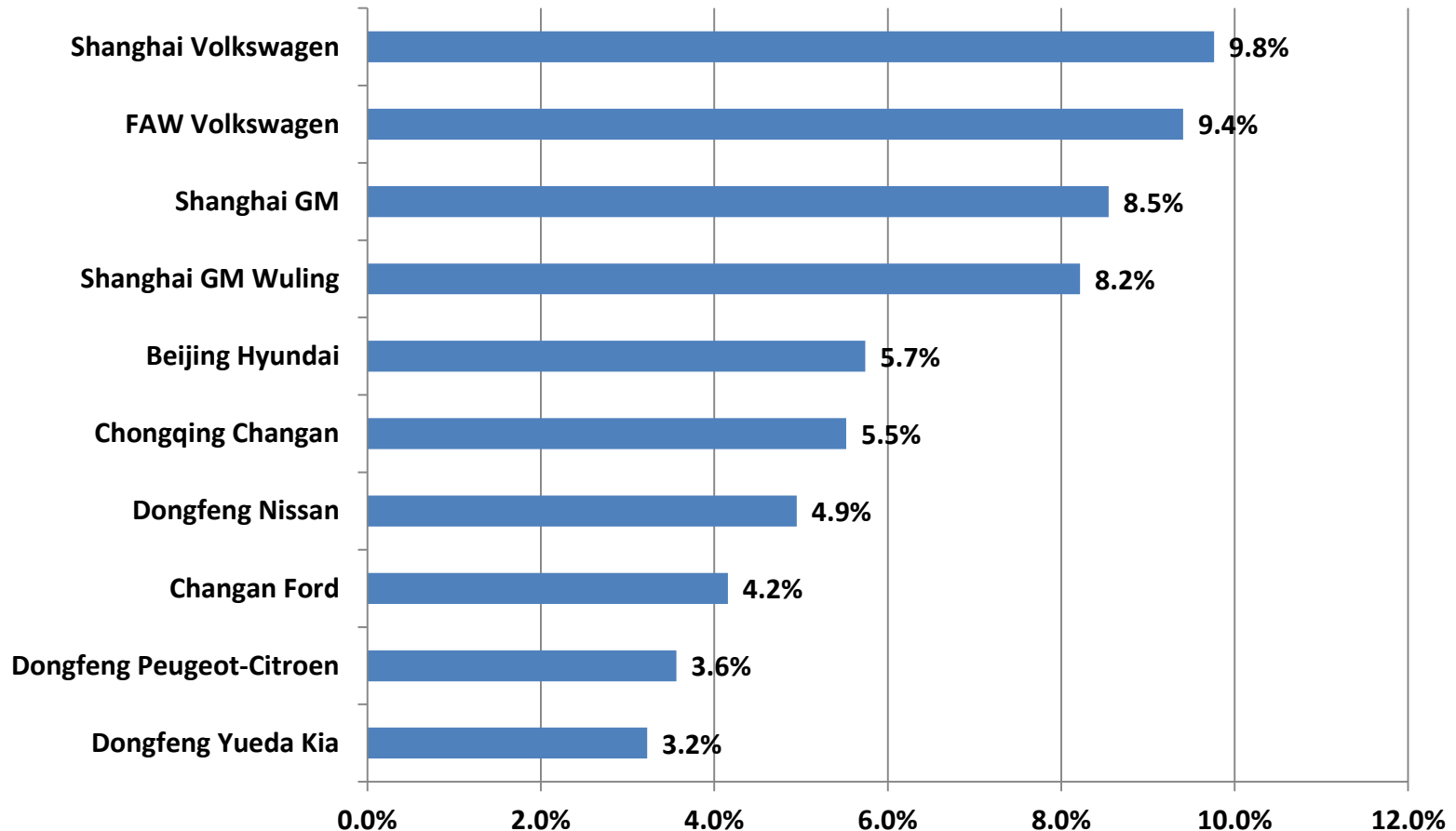


# China Passenger Vehicle Market (top manufacturers by sales volumes, 1H2014)



Source: China Association of Automobile Manufacturers

# China Passenger Vehicle Market (top manufacturers by market shares, 1H2014)



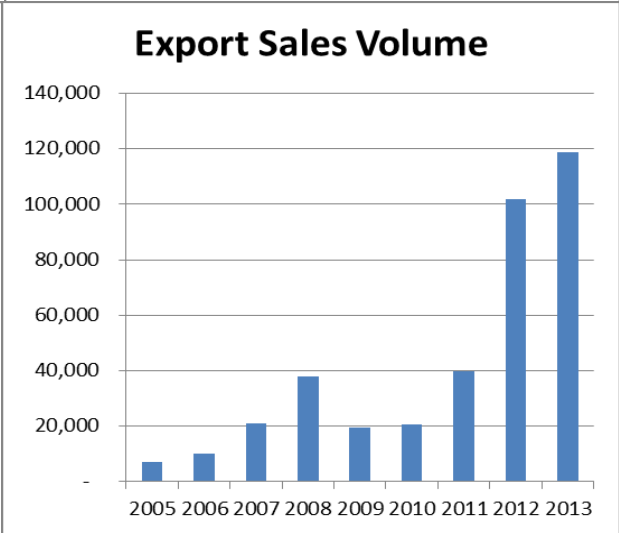
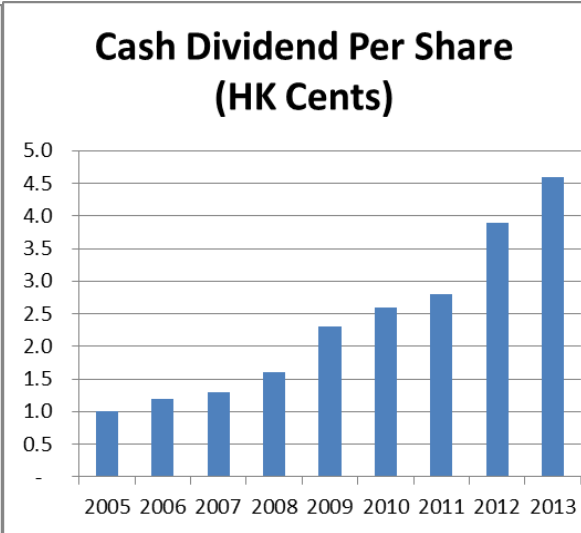
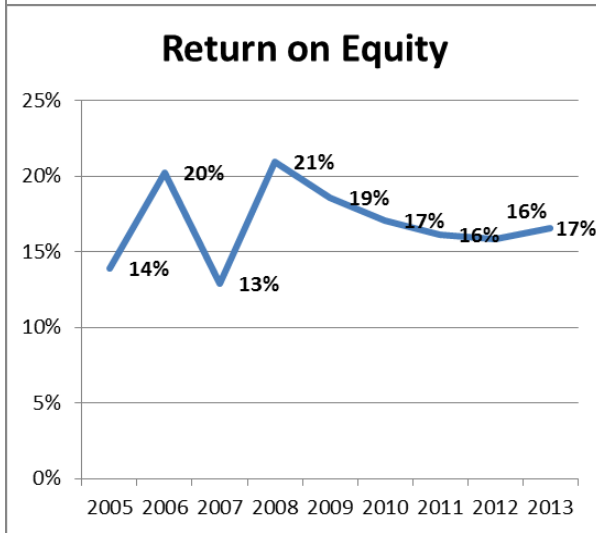
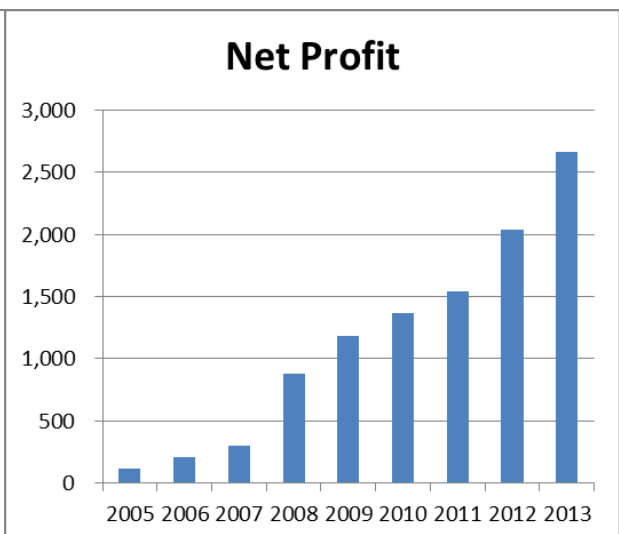
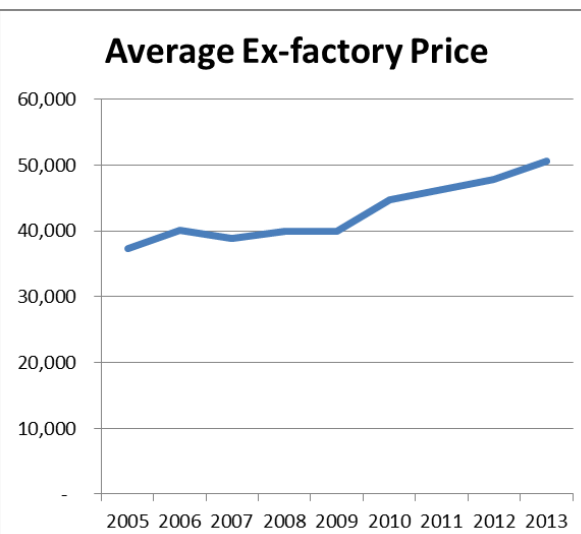
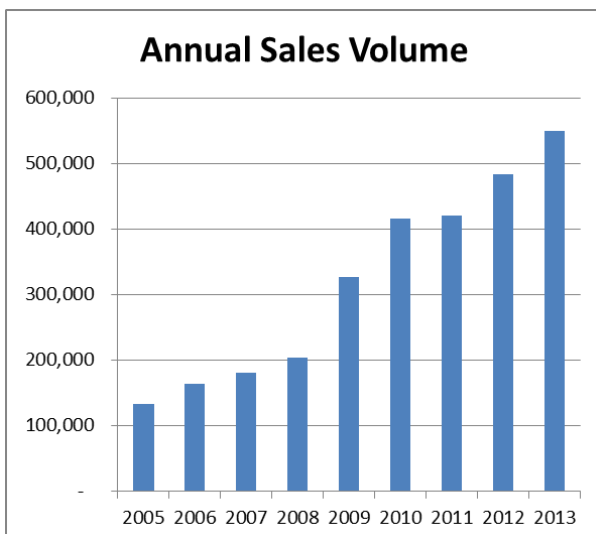
Source: China Association of Automobile Manufacturers

# Geely Automobile In Figures

<b>Year started:</b>	<b>1998</b>
<b>Total workforce:</b>	<b>18,138 (on 31/12/2013)</b>
<b>Manufacturing facilities:</b>	<b>8 car plants in China</b>
<b>Products:</b>	<b>16 major sedan models under 5 platforms</b>
<b>Distribution network:</b>	<b>882 dealers in China, 41 sales agents, 527 sales and service outlets in 41 oversea countries</b>
<b>2013 sales volume:</b>	<b>549,468 units (22% 5-year CAGR)</b>
<b>2013 revenues:</b>	<b>US\$4.6 billion</b>
<b>Market Capitalization:</b>	<b>US\$3.2 billion (at 9 July 2014)</b>



# Geely Automobile - Financial Performance



## Geely Automobile - Strengths

- Management-owned, market driven
- Cost effective supply chain
- Professional management team
- Abundant intellectual resources
- A vertically integrated operation
- Experience and track record in China
- Strong cooperative relationship with Volvo Car



# Geely Automobile - Strategy

Products	<ul style="list-style-type: none"><li>• Platform and modular architecture;</li><li>• Focus on powertrain technology;</li><li>• In-house international design capabilities;</li><li>• Joint product architecture with Volvo Car;</li><li>• Gradual transition from hybrid to pure electric;</li><li>• Partnership to speed up electrification offerings;</li><li>• Strategic alliance to upgrade technologies</li></ul>
Services	<ul style="list-style-type: none"><li>• 882 dealers in China;</li><li>• 41 sales agents, 527 sales and service outlets in 41 oversea countries;</li><li>• An independent servicing franchise chain in China;</li><li>• Vehicle finance JV with BNP Paribas Personal Finance</li></ul>
Branding	<ul style="list-style-type: none"><li>• Three-year transition period from three brands to single brand;</li><li>• Single brand for export markets</li></ul>

# Geely Automobile - Vehicle Safety

Year	Test	Models	Ratings
2009	C-NCAP	Geely Panda	5 star (45.3 pts)
2010	C-NCAP	Emgrand EC7	5 star (46.8 pts)
2011	Euro-NCAP	Emgrand EC7	4 star
2011	C-NCAP	Emgrand EC8	5 star (49.6 pts)
2012	C-NCAP	GLEagle GX7	5+star (50.3 pts)
2013	C-NCAP	Englon SC515	5 star (55.4 pts)



# Geely Automobile – Overall Sales

First Half 2014

**Overall: 187,186 units, -29% YoY**  
**Domestic: 152,856 units -28% YoY**  
**Exports: 34,330 units -32% YoY**

Mid-Size Sedans  
(EC7+GC7+SC7+Vision)

**96,476 units -32% YoY**



SUVs (GX7+SX7)

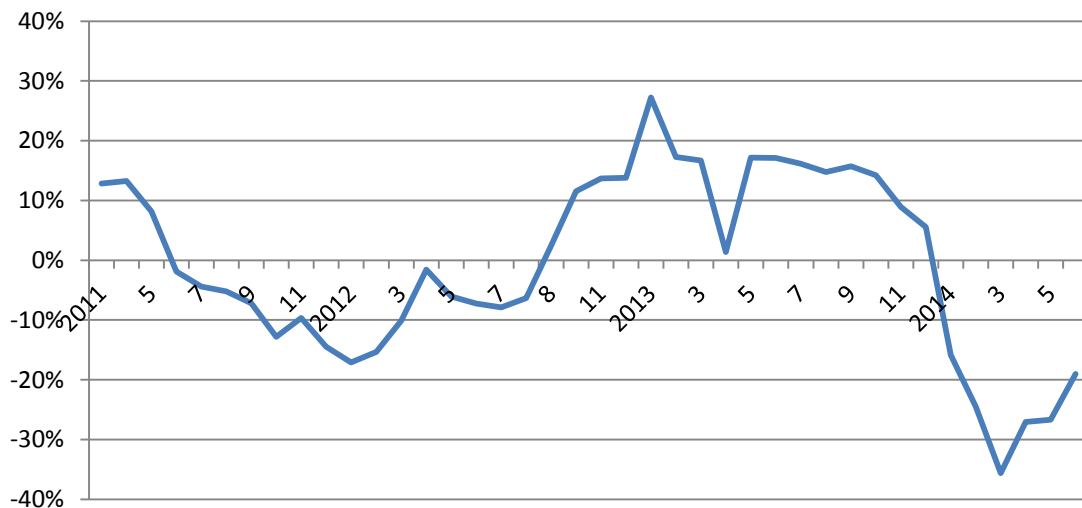
**29,333 units +4% YoY**



# Geely Automobile – Domestic Sales

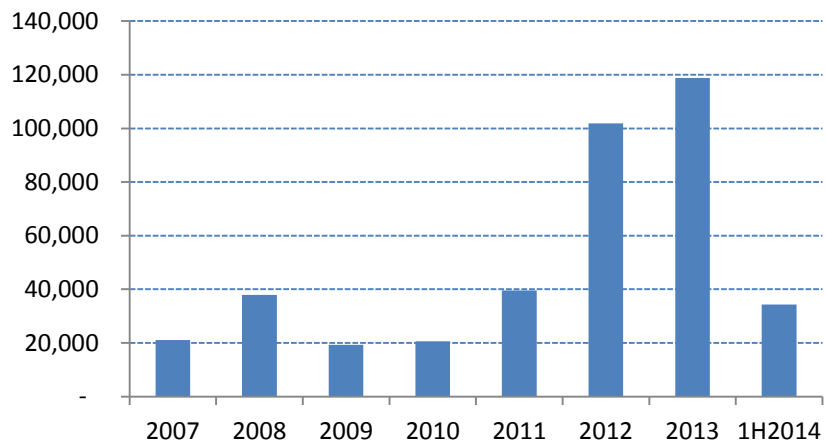
- Sales volume in China fell in the first half of 2014 due to the reshuffle of the sales and marketing system and the current major model upgrading cycle, but started to recover since March 2014
- Sales volume in January 2014 was also affected by the Group’s effort to cut dealer inventory ahead of major new model launches in 2014

**Domestic Sales Volume (3MMA+/-%)**

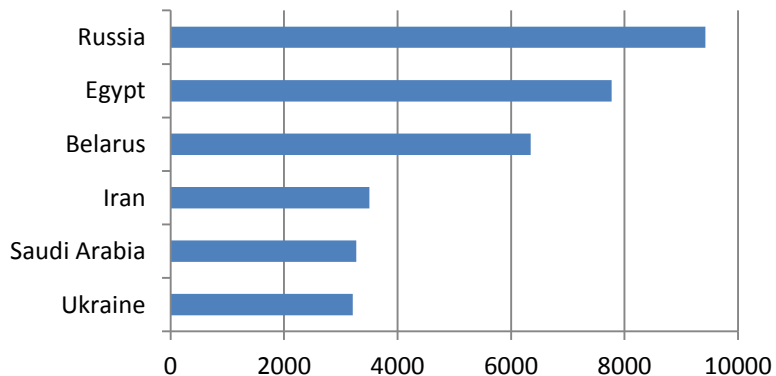


# Geely Automobile - Exports

**Export Sales Volume**  
(units)



**Top Export Destinations**  
1H2014



Emgrand7 (EC7) is the most popular export model, accounting for half of the total exports volume

# New Products – 2014 EC7



2013 EC7



2014 EC7

<b>Engine:</b>	1.5L, 1.8L petro engines
<b>Transmissions:</b>	5MT, CVT
<b>Dimension:</b>	4635/1789/1470
<b>Wheelbase:</b>	2650
<b>Safety:</b>	Euro-NCAP 4 star C-NCAP 5 star
<b>Fuel efficiency:</b>	6.0L/100km (1.5L) 7.2L/100km (1.8L)
<b>MSRP:</b>	RMB71,800-113,800

<b>Engine:</b>	1.3L Turbocharged engines
<b>Transmissions:</b>	6MT, CVT
<b>Power:</b>	98/5500(Kw/rpm)
<b>Max. Torque:</b>	185/2000-4500 N.m/rpm
<b>Emission:</b>	Euro V

## New Products - SUVs



**GX7**



**GX9**

<b>Engine:</b>	1.8L, 2.0L, 2.4L petro engines
<b>Transmissions:</b>	5MT, 6AT
<b>Dimension:</b>	4541/1833/1700
<b>Wheelbase:</b>	2661
<b>Safety:</b>	C-NCAP 5 star+
<b>Seat capacity:</b>	5
<b>MSRP:</b>	RMB92,900-129,900

<b>Engine:</b>	2.4L petro, 2.0L diesel engines
<b>Transmissions:</b>	6MT, 6AT
<b>Dimension:</b>	4839/1884/1715
<b>Wheelbase:</b>	2800
<b>Seat Capacity:</b>	5 or 7

# New Products – Sedans



EC8



EC9

<b>Engine:</b>	2.0L, 2.4L petro engines
<b>Transmissions:</b>	5MT, 6AT
<b>Dimension:</b>	4905/1830/1495
<b>Wheelbase:</b>	2805
<b>Safety:</b>	C-NCAP 5 star
<b>MSRP:</b>	RMB99,800-209,800

<b>Engine:</b>	1.8T, 3.5L petro engines
<b>Transmissions:</b>	6AT, 7DCT
<b>Dimension:</b>	4956/1860/1516
<b>Wheelbase:</b>	2850



# New Products – Engines



**JLB-4G15**



**JLB-4G13T**

<b>No. of cylinders:</b>	4
<b>Displacement:</b>	1.498 L
<b>Power</b>	75/6000 KW/rpm
<b>Max. Torque:</b>	141/3800~4200 N.m/rpm
<b>Emission:</b>	Euro V

<b>No. of cylinders:</b>	4
<b>Displacement:</b>	1.299 L
<b>Power</b>	98/5500 KW/rpm
<b>Max. Torque:</b>	185/2000~4500 N.m/rpm
<b>Emission:</b>	Euro V



# New Energy Vehicles



**JL7001BEV  
(2013)**



**EC7-EV  
(2014/2015)**

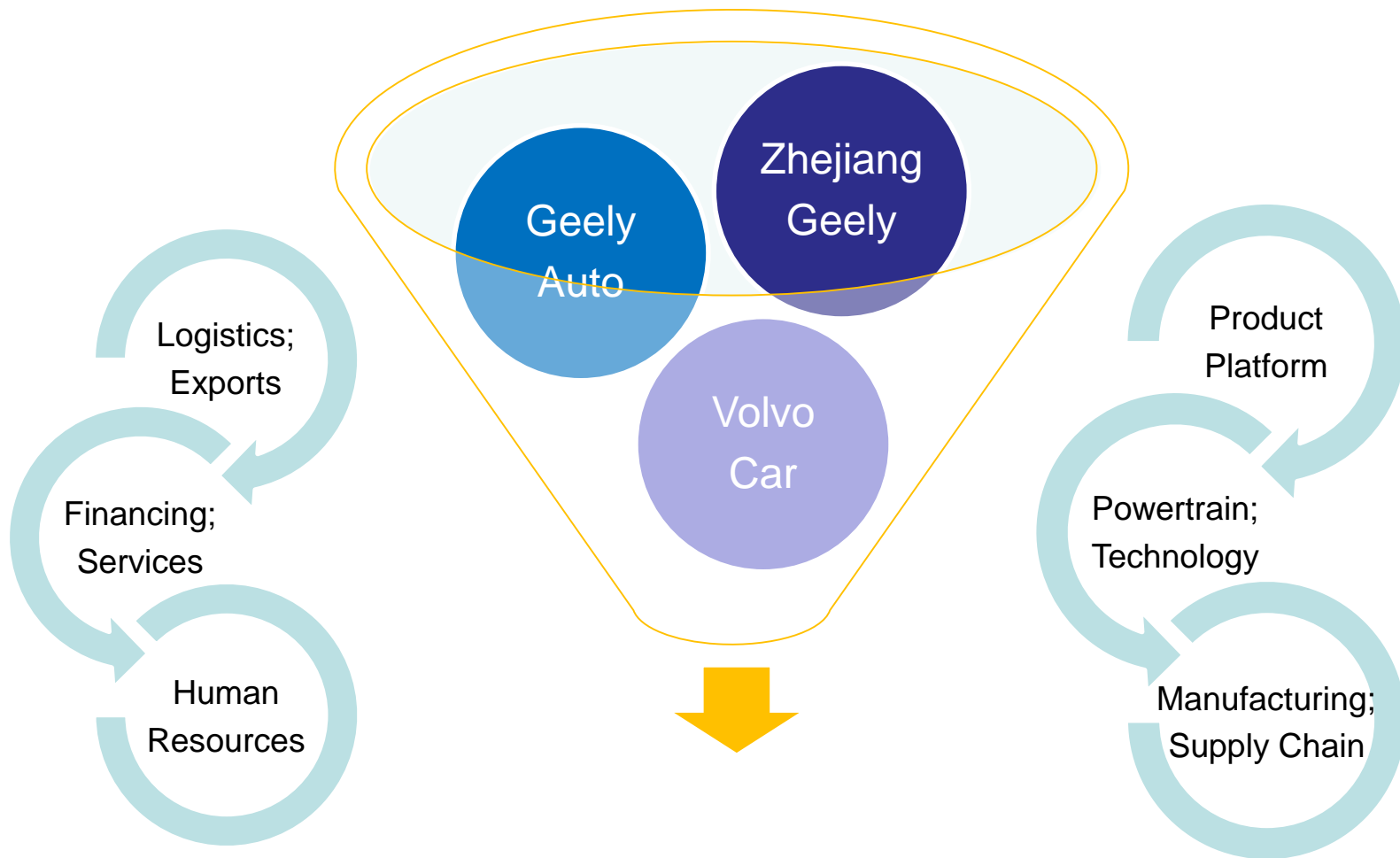


**EC7 Petro Hybrid  
(2014/2015)**



**Emgrand Cross Plug-in Hybrid  
(2015)**

# Geely + Volvo Car = ?



# Opportunities

- China has amongst the lowest penetration rates for motor vehicles in the World
- In addition to new demand, there are substantial replacement and substitution demand for motor vehicles in China
- Chinese government has consistently promoting fuel efficient and environmentally friendly vehicles
- Longer-term drivers for vehicle demand in China include: Urbanization and Strong Desire for Increased Mobility
- Huge profit opportunities in auto-related services
- M&A and Strategic Alliances

# Challenges

- Fierce competition from both foreign and indigenous brands
- Substantial capex needed to narrow technology gap, expand product range and increase production capacity
- Product and brand differentiation
- Rising production costs in China
- Regulation risk:
  - New vehicle purchase restrictions by local governments
  - Tightening emission, fuel efficiency and safety requirements
  - Incentives and supports from Central and local governments

## Outlooks

- Despite its size, China's auto market is still at early stage of development
- Very low level of financial leverage in China's auto market and amongst major industry players
- Growth stabilizing after exceptional strength in 2009-2010
- Unlike other consumer sectors, indigenous brands are losing market shares fast
- Mid-range (1.0L-2.0L), automatic transmissions, German and Korean brands are gaining market shares

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